United Nations A/58/6 (Sect. 30)

General Assembly

Distr.: General
17 March 2003

Original: English

Fifty-eighth session

Proposed programme budget for the biennium 2004-2005*

Part IX
Internal oversight

Section 30
Internal oversight

(Programme 25 of the medium-term plan for the period 2002-2005)

Contents

		Page
Overview		2
A.	Executive direction and management	6
B.	Programme of work	8
	Subprogramme 1. Internal audit	8
	Subprogramme 2. Monitoring, evaluation and consulting	11
	Subprogramme 3. Investigations	16
C.	Programme support	18
Annex		
Recurrent outputs not to be carried out in the biennium 2004-2005		23

* The approved programme budget will subsequently be issued in final form as *Official Records of the General Assembly, Fifty-eighth Session, Supplement No. 6* (A/58/6/Rev.1).

03-28440 (E) 010403

Section 30
Internal oversight

(Programme 25 of the medium-term plan for the period 2002-2005)

Overview

30.1 The Office of Internal Oversight Services (OIOS), headed by an Under-Secretary-General, is responsible for the implementation of the programme of work under this section.

30.2 The activities for which OIOS is responsible fall within the framework of programme 25, Internal oversight, of the revised medium-term plan for the period 2002-2005.

30.3 The overall objective of the programme is to enhance effectiveness in the implementation of all programmes through the continual improvement of internal control mechanisms within the Organization. The strategy for meeting the objective is based on the need to help Member States and the Organization ensure that: programme activities comply with resolutions, regulations, rules and policies; better results are achieved by determining all factors affecting the efficient and effective implementation of programmes; and cases of fraud, waste, abuse, malfeasance and mismanagement are prevented and detected. The approach of the Office is aimed at enhancing the management of both the human and the financial resources of the Organization, facilitating more transparent assignment of responsibility and accountability and improving the systems of internal control by monitoring compliance with oversight recommendations and protecting the assets of the Organization. In carrying out its work, the Office also coordinates its activities with the Board of Auditors of the United Nations and the Joint Inspection Unit in order to ensure adequate internal oversight coverage while avoiding duplication. In addition, the Office maintains a close working relationship with other inspection and oversight services in the United Nations system.

30.4 In August 2001, following a comprehensive internal review of all subprogrammes, including the functional and operational utility of merging the Central Evaluation Unit and the Central Monitoring and Inspection Unit, and as recommended by the Advisory Committee on Administrative and Budgetary Questions in its first report on the proposed programme budget for the biennium 2000-2001 (A/54/7, para. IX.7), the Office realigned the previous four subprogrammes into three. The structure of OIOS now consists of the Office of the Under-Secretary-General, the Internal Audit Division, the Monitoring, Evaluation and Consulting Division, the Investigations Division and the Executive Office.

30.5 The responsibilities of each oversight unit will be managed so as to ensure that the functions complement each other and generate a natural synergy towards comprehensive oversight coverage. The Office intends to continue to develop concise client profiles that will show the "health" of a programme or department by synthesizing all the internal oversight work done on that client. Using a horizontal approach, it will also assess the adequacy and effectiveness of management controls exercised by the Organization over the central support services covering high-risk management functions — personnel, cash management, procurement, travel — from one duty station to another. Emphasis will continue to be placed on self-monitoring and self-evaluation on the part of programme managers, with guidance from the Office.

30.6 To further the Organization's commitment to gender mainstreaming, OIOS undertakes a number of activities. The Office of the Under-Secretary-General provides programme coordination for OIOS efforts to oversee United Nations gender mainstreaming efforts. On an operational level, OIOS continues to address issues of gender in its activities, particularly in its evaluation, monitoring, inspection and audit work. OIOS evaluates progress made in undertaking measures to reach the

Secretariat's gender parity goals and reports on the implementation of recommendations concerning gender mainstreaming. OIOS is also examining possibilities for disaggregating information according to gender on programme implementation.

30.7 Moreover, OIOS aims to help the Organization achieve better results by determining the factors affecting the efficient and effective implementation of programmes, as articulated in the road map towards the implementation of the United Nations Millennium Declaration (A/56/326). The programme performance report for the biennium 2004-2005 will, inter alia, reflect the progress achieved by Departments and Offices in the context of the Millennium Declaration goals.

30.8 The Office's main expected accomplishments and indicators of achievement for the biennium 2004-2005 are detailed, together with required resources, under the programme of work, as well as under executive direction and management. The overall framework of these expected accomplishments and indicators of achievement is shown in table 30.1.

Table 30.1 **Framework of expected accomplishments and indicators of achievement by component**

Component	*Number of expected accomplishments*	*Number of indicators of achievement*
A. Executive direction and management	3	4
B. Programme of work		
1. Internal audit	4	4
2. Monitoring, evaluation and consulting	11	11
3. Investigations	1	2
Total	**19**	**21**

30.9 The overall level of resources for the Office of Internal Oversight Services for the biennium 2004-2005 amounts to $21,413,300, reflecting a growth of $466,700 compared with the revised appropriation for the biennium 2002-2003. The overall growth of resources reflects the establishment of a new post (D-2) in the Investigations Division and increases in the provisions for consultants and general operating expenses, partially offset by reductions in other staff costs and furniture and equipment.

30.10 Resource allocation between subprogrammes has been carefully reviewed to ensure optimal deployment of the limited resources available to OIOS. In this regard, executive direction and management is to be strengthened to facilitate the establishment of an information technology support capability for OIOS by redeployment of existing resources. The Investigations Division and the Executive Office would also be strengthened, while the Monitoring, Evaluation and Consulting Division would release resources through post redeployments.

30.11 Extrabudgetary resources estimated at $23,086,100 would be utilized for activities related to the auditing and investigation of the United Nations funds and programmes, the United Nations Joint Staff Pension Fund, the International Trade Centre UNCTAD/WTO (ITC), the United Nations Compensation Commission (UNCC), the Office of the United Nations High Commissioner for Refugees (UNHCR), the International Tribunal for the Former Yugoslavia, the International Criminal Tribunal for Rwanda, technical cooperation activities and peacekeeping operations. In addition, extrabudgetary resources would be used to enhance professional capacity related to internal oversight functions and to strengthen the Organization's integrity infrastructure.

30.12 The estimated percentage distribution of resources under this section would be as shown in table 30.2.

Table 30.2 **Percentage distribution of resources by component**

Component	*Regular budget*	*Extrabudgetary*
A. Executive direction and management	7.2	2.8
B. Programme of work		
Subprogramme 1. Internal audit	41.8	72.6
Subprogramme 2. Monitoring, evaluation and consulting	20.7	5.0
Subprogramme 3. Investigations	23.4	18.2
C. Programme support	6.9	1.4
Total	**100.0**	**100.0**

30.13 Resource growth with respect to regular budget resources would be 2.2 per cent before recosting. This represents a significant levelling off in growth, which in the last few bienniums had been noticeably higher to support the growth of the new office.

Table 30.3 **Resource requirements by component**

(Thousands of United States dollars)

(1) *Regular budget*

Component	*2000-2001 expenditure*	*2002-2003 appropriation*	*Resource growth*		*Total before recosting*	*Recosting*	*2004-2005 estimate*
			Amount	*Percentage*			
A. Executive direction and management	2 590.7	1 388.1	146.1	10.5	1 534.2	109.3	1 643.5
B. Programme of work	15 884.8	18 193.6	199.3	1.0	18 392.9	1 235.0	19 627.9
C. Programme support	-	1 364.9	121.3	8.8	1 486.2	89.8	1 576.0
Subtotal	**18 475.5**	**20 946.6**	**466.7**	**2.2**	**21 413.3**	**1 434.1**	**22 847.4**

(2) *Extrabudgetary*

	2000-2001 expenditure	*2002-2003 estimate*	*2004-2005 estimate*
A. Executive direction and management	-	1 017.5	646.9
B. Programme of work	7 360.1	18 100.1	22 115.4
C. Programme support	-	-	323.8
Subtotal	**7 360.1**	**19 117.6**	**23 086.1**
Total (1) and (2)	**25 835.6**	**40 064.2**	**45 933.5**

Table 30.4 **Post requirements**

Category	*Established regular budget posts*		*Temporary posts*				*Total*	
			Regular budget		*Extrabudgetary*			
	2002-2003	*2004-2005*	*2002-2003*	*2004-2005*	*2002-2003*	*2004-2005*	*2002-2003*	*2004-2005*
Professional and above								
USG	1	1	-	-	-	-	1	1
D-2	1	2	-	-	-	-	1	2
D-1	4	4	-	-	2	2	6	6
P-5	12	12	-	-	7	12	19	24
P-4/3	35	35	-	-	39	50	74	85
P-2/1	8	8	-	-	2	2	10	10
Subtotal	**61**	**62**	**-**	**-**	**50**	**66**	**111**	**128**
General Service								
Principal level	9	9	-	-	-	-	9	9
Other levels	20	20	-	-	21	24	41	44
Subtotal	**29**	**29**	**-**	**-**	**21**	**24**	**50**	**53**
Other								
Local level	1	1	-	-	1	1	2	2
Total	**91**	**92**	**-**	**-**	**72**[a]	**91**[b]	**163**	**183**

[a] Includes extrabudgetary posts for extrabudgetary oversight activities in the funds and programmes (1 P-4 and 1 Local level); UNCC (1 P-4); UNHCR (1 D-1, 2 P-5, 5 P-4, 5 P-3, 1 P-2 and 4 General Service (Other level)); ITC (1 P-2); extrabudgetary substantive activities: UNDCP (1 P-4); programme support costs of extrabudgetary substantive activities (1 P-4, 1 P-3 and 2 General Service (Other level)); technical cooperation activities (1 P-4, 1 General Service (Other level)); support to peacekeeping activities (1 D-1, 2 P-5, 7 P-4, 3 P-3, 3 General Service (Other level)) and peacekeeping missions (3 P-5, 7 P-4, 6 P-3, 11 General Service (Other level)) totalling 72 posts.

[b] Includes extrabudgetary posts for extrabudgetary oversight activities in the funds and programmes (1 P-4, and 1 General Service (Local level)); UNCC (1 P-4); UNHCR (1 D-1, 2 P-5, 4 P-4, 4 P-3, 1 P-2 and 3 General Service (Other level)); ITC (1 P-2); extrabudgetary substantive activities: UNDCP (1 P-4); programme support costs of extrabudgetary substantive activities (1 P-4, 1 P-3 and 2 General Service (Other level)); technical cooperation activities (1 P-4 and 1 General Service (Other level)); and support to peacekeeping activities (1 D-1, 3 P-5, 8 P-4, 5 P-3, 5 General Service (Other level)) and peacekeeping missions (7 P-5, 12 P-4, 11 P-3, 13 General Service (Other level)), totalling 91 posts.

A. Executive direction and management

Resource requirements (before recosting): $1,534,200

30.14 The Office of the Under-Secretary-General provides strategic planning and monitoring of OIOS as a whole. The Office will emphasize the effective and strategic use of information technology for innovation and to improve management.

30.15 The Office of the Under-Secretary-General coordinates the work of the three subprogrammes, ensures that the OIOS liaises with the United Nations Board of Auditors and the Joint Inspection Unit and maintains a close working relationship with other inspection and oversight services of the operational funds and programmes, as well as those of the United Nations system.

30.16 Furthermore, the Office provides strict quality control over the reports of OIOS to the General Assembly, oversees resource utilization, provides guidance on performance management and acts as a focal point for compliance monitoring of recommendations of OIOS.

Table 30.5 **Objectives for the biennium, expected accomplishments and indicators of achievement and performance measures**

Objective: To ensure the efficient and effective implementation and management of the Office's programmes, activities and operations in accordance with the relevant legislative mandates, and to facilitate more transparency and accountability.

Expected accomplishments	*Indicators of achievement*
(a) Improved coordination with client departments and offices, legislative and oversight bodies, and within the Office, including promotion of gender mainstreaming.	(a) Regular coordinating meetings for policy and management, information and communication technology initiatives, strategic planning and personnel management. (i) Level of satisfaction expressed by the General Assembly bodies and client departments and offices; (ii) Level of satisfaction with delivery of information technology services.
(b) Improved services to the Fifth Committee of the General Assembly, client departments and offices, including enhanced information technology services to OIOS divisions.	
(c) Programme of work is effectively and strategically managed and supported by staff.	(c) Timely provision of strategic initiatives.

External factors

30.17 The subprogramme is expected to achieve its objectives and expected accomplishments on the assumption that sufficient lead-time is provided by Divisions, that there is timely feedback from clients and that there is cooperation from external parties.

Outputs

30.18 During the biennium, the following outputs will be delivered:

(a) Servicing of intergovernmental and expert bodies:

(i) General Assembly:

a. Substantive servicing of the Fifth Committee (6);

b. Parliamentary documentation: annual analytical and summary report to the General Assembly on the activities of the Office, and ad hoc reports to the General Assembly on specific activities of the Office (2);

(b) Internal oversight services (RB/XB): organization of and follow-up to meetings; strategic planning and initiatives.

Table 30.6 **Resource requirements**

	Resources (thousands of US dollars)		*Posts*	
Category	*2002-2003*	*2004-2005 (before recosting)*	*2002-2003*	*2004-2005*
Regular budget				
Post	1 278.8	1 398.0	5	6
Non-post	109.3	136.2	0	0
Total	**1 388.1**	**1 534.2**	**5**	**6**
Extrabudgetary	1 017.5	646.9	1	1

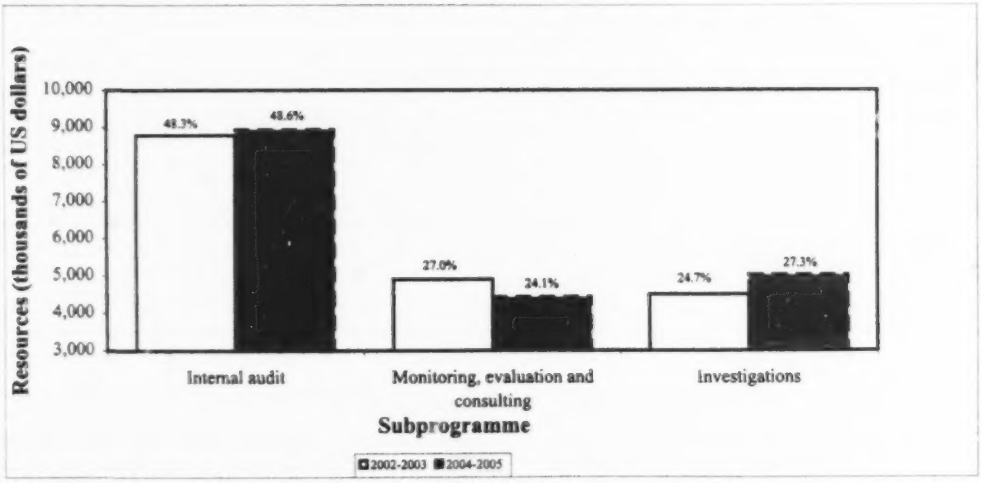
30.19 The requirements of $1,534,200 will provide for six posts on a full-cost basis for the Office of the Under-Secretary-General. Four of the six posts are continuing from the last biennium, while two posts (1 P-4 and 1 General Service (Principal level)) are proposed to be redeployed inwards from the Monitoring, Evaluation and Consulting Division to establish an Information Technology Unit to provide technology support for all three programmes of work. In addition, 1 P-5 post will be redeployed outwards to the Executive Office. The non-post resources will provide for general temporary assistance, overtime, services of consultants, travel of the Under-Secretary-General and/or his designated representative, hospitality, general operating expenses, office supplies, furniture and data-processing equipment.

B. Programme of work

Table 30.7 **Resource requirements**

Subprogramme	Resources (thousands of US dollars) 2002-2003	Resources (thousands of US dollars) 2004-2005 (before recosting)	Posts 2002-2003	Posts 2004-2005
Regular budget				
1. Audit	8 785.5	8 941.4	40	41
2. Monitoring, evaluation and consulting	4 904.0	4 433.0	20	18
3. Investigations	4 504.1	5 018.5	20	21
Total	**18 193.6**	**18 392.9**	**80**	**80**
Extrabudgetary	18 100.1	22 115.4	71	87

Regular budget resources requirements by subprogramme



Subprogramme 1
Internal audit

Resource requirements (before recosting): $8,941,400

30.20 The responsibility of this subprogramme is vested in the Internal Audit Division.

30.21 The Internal Audit Division is implementing a strategy which calls for a gradual and substantial increase in the number and depth of audits, variously referred to as operational, performance, programme, economy and efficiency or value-for-money audits. These audits are aimed at: ascertaining the extent to which regulations, rules, policies and procedures as well as legislative mandates of the Organization are complied with; assessing the quality of operations as well as the adequacy and effectiveness of the internal controls established to ensure that programme objectives

are achieved; and highlighting areas of high risk in the operations of the various departments, funds and programmes with a view to improving internal controls and procedures to minimize risk.

30.22 To ensure the highest level of efficiency and cost-effectiveness in its coverage of the Organization's operations worldwide, the Division's work is organized in five sections at Headquarters and one each in Geneva and Nairobi.

Table 30.8 **Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures**

Objective: To ensure efficient and effective implementation and management of programmes, activities and operations by programme managers in accordance with the relevant legislative mandates.

Expected accomplishments	*Indicators of achievement*
(a) Greater compliance with General Assembly directives and established regulations, rules, policies and procedures, including those calling for mainstreaming a gender perspective.	(a) Fewer cases of non-compliance detected by audits. *Performance measures*: 2000-2001: 153 recommendations Estimate 2002-2003: 206 recommendations Target 2004-2005: 165 recommendations
(b) Enhanced transparency and accountability within the Organization.	(b) An increase in the number of audit recommendations calling for formal delegations of authority, up-to-date job descriptions and fully documented standard operating procedures that clearly assign responsibility to individual staff members to ensure accountability at all levels of the Organization. *Performance measures*: 2000-2001: 39 critical recommendations Estimate 2002-2003: 18 critical recommendations Target 2004-2005: 30 critical recommendations
(c) Increased efficiency in the use of financial resources.	(c) An increase in the amount of savings and/or excessive expenditures identified by audits. *Performance measures*: 2000-2001: $38.7 million identified Estimate 2002-2003: $41million identified Target 2004-2005: $45 million identified

(d) Better coordination with external oversight bodies.	(d) An increase in the number of joint meetings, consultations and assignments with external oversight bodies, resulting in better coordination and cooperation, and reduced duplication and overlap of audit coverage by internal and external oversight bodies. *Performance measures*: 2000-2001: 2 joint meetings, consultations and assignments Estimate 2002-2003: 4 joint meetings, consultations and assignments Target 2004-2005: 7 joint meetings, consultations and assignments

External factors

30.23 The subprogramme is expected to achieve its objectives and expected accomplishments on the assumption that: (a) there is a collaborative effort by the audited departments and offices in implementing the audit recommendations; (b) the information technology is in place throughout the Organization to support the implementation of audit recommendations; (c) the joint assignments with other external oversight bodies will require suitable audit subjects, and the cooperation of the Board of Auditors and/or the Joint Inspection Unit.

Outputs

30.24 During the biennium, the following outputs will be delivered:

(a) Servicing of intergovernmental and expert bodies:

(i) General Assembly:

a. Substantive servicing of the Fifth Committee (8);

b. Parliamentary documentation: audit reports on the basis of audits conducted (8);

(b) Internal oversight services (RB/XB): two joint meetings, four consultations and one major joint assignment with the Board of Auditors and Joint Inspection Unit; 30 critical recommendations to enhance accountability in the Organization; up to 112 audit reports for programme managers during the biennium; and review of compliance by departments and offices with audit recommendations.

Table 30.9 **Resource requirements**

Category	Resources (thousands of US dollars) 2002-2003	Resources (thousands of US dollars) 2004-2005 (before recosting)	Posts 2002-2003	Posts 2004-2005
Regular budget				
Post	8 296.8	8 484.4	40	41
Non-post	488.7	457.0	0	0
Total	**8 785.5**	**8 941.4**	**40**	**41**
Extrabudgetary	16 000.3	16 758.0	66	67

30.25 The amount of $8,941,400 will provide for the continuation of 40 posts; the redeployment of one auditor post at the P-2 level to the Monitoring, Evaluation and Consulting Division in exchange for one P-3 level post and one General Service (Principal level) post from that Division; general temporary assistance; overtime; services of consultants; travel; general operating expenses; office supplies; and office furniture and equipment.

Subprogramme 2
Monitoring, evaluation and consulting

Resource requirements (before recosting): $4,433,000

30.26 This subprogramme is under the responsibility of the Monitoring, Evaluation and Consulting Division.

30.27 The consolidation of four oversight functions, namely, monitoring, inspection, evaluation and management consulting, into a single division has enhanced cross-disciplinary teamwork, versatility and synergies. The primary focus of the Division is on providing expert support to advancing results-based performance management throughout the Organization. In addition, the Division offers consulting services for remedial and corrective action.

Table 30.10 **Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures**

Central monitoring and inspections

Objective: To strengthen programme implementation by monitoring programme delivery and the output of the programmes to determine whether they are adequate, timely and in accordance with mandates, whether they address effectively the objectives of the programmes and whether the resources are used efficiently.

Expected accomplishments	*Indicators of achievement*
(a) More effective monitoring by programme managers of the implementation of planned activities and achievement of expected accomplishments.	(a) An increase in the adoption by programme managers (through their subprogramme managers) of monitoring procedures and work plans to follow progress made towards implementing programmed outputs and achieving expected accomplishments.

	Performance measures: 2000-2001: 25 per cent Estimate 2002-2003: 40 per cent Target 2004-2005: 60 per cent
(b) More timely programme performance reporting by programme managers.	(b) Number of programmes meeting programme performance deadlines *Performance measures*: 2000-2001: 44 per cent Estimate 2002-2003: 50 per cent Target 2004-2005: 60 per cent
(c) Improved programme management and administrative practices as the result of inspections.	(c) The level of implemented inspection recommendations by programme managers. *Performance measures*: 2000-2001: 45 per cent Estimate 2002-2003: 45 per cent Target 2004-2005: 55 per cent

Central evaluation

Objective 1: To enable intergovernmental bodies to determine as systematically and objectively as possible the efficiency and effectiveness of the Organization's activities in relation to their objectives.

Expected accomplishments	*Indicators of achievement*
(a) Improved assistance to intergovernmental organs in determining the relevance, efficiency and effectiveness of the mandated programmes and activities.	(a) An increase in the percentage of recommendations of in-depth evaluation reports that are endorsed by the Committee on Programme and Coordination and the General Assembly. *Performance measures*: 2000-2001: 65 per cent Estimate 2002-2003: 65 per cent Target 2004-2005: 75 per cent

(b) Better coordination with external oversight bodies.	(b) An increase in the number of joint meetings, agreements and assignments with external oversight bodies. *Performance measures*: 2000-2001: 2 joint activities Estimate 2002-2003: 2 joint activities Target 2004-2005: 3 joint activities

Objective 2: To enable the Secretariat and Member States to engage in systematic reflection, with a view to increasing the effectiveness of the main programmes of the Organization.

Expected accomplishments	*Indicators of achievement*
(a) Increased implementation of approved recommendations contained in evaluation reports.	(a) An increase in the number of approved recommendations implemented by programme managers. *Performance measures*: 2000-2001: 70 per cent Estimate 2002-2003: 70 per cent Target 2004-2005: 80 per cent
(b) Improved quality of evaluation recommendations.	(b) An increase in views expressed by members of the Committee on Programme and Coordination that the quality of recommendations in evaluation reports has improved. *Performance measures:* 2000-2001: 0 per cent Estimate 2002-2003: 20 per cent Target 2004-2005: 25 per cent
(c) Strengthened role of self-evaluation within the Organization.	(c) An increase in the number of subprogrammes which use a uniform standard of practice for self-evaluation and other evaluation findings to review, adjust and propose changes in their activities. *Performance measures:* 2000-2001: 50 per cent Estimate 2002-2003: 50 per cent Target 2004-2005 60 per cent

Management consulting

Objective: To ensure efficient and effective implementation and management of programmes, activities and operations by programme managers in accordance with the relevant legislative mandates.

Expected accomplishments	*Indicators of achievement*
(a) Greater compliance with General Assembly directives, established regulations, rules, policies and procedures.	(a) Positive client feedback indicating that, as a result of the management consulting services, programme managers are in greater compliance with General Assembly directives, established rules, policies and procedures. *Performance measures:* 2000-2001: To be determined Estimate 2002-2003: 85 per cent Target 2004-2005: 90 per cent
(b) Enhancement of transparency and accountability within the Organization.	(b) Client satisfaction that transparency and accountability have been enhanced as a result of management consulting services. *Performance measures:* 2000-2001: To be determined Estimate 2002-2003: 85 per cent Target 2004-2005: 90 per cent
(c) Improvements in the effective and efficient management of programmes as a result of management consulting services rendered to departments.	(c) Number of client departments adopting a structured change management approach for new initiatives. *Performance measures:* 2000-2001: To be determined Estimate 2002-2003: 3 client departments Target 204-2005: 3 client departments

External factors

30.28 The subprogramme is expected to achieve its objectives and expected accomplishments on the assumption that: (a) accountability is strengthened for comprehensive programme performance monitoring and reporting and for implementation of inspection recommendations throughout the Organization; (b) intergovernmental bodies enhance their focus on including in their conclusions qualitative assessments of OIOS recommendations; (c) the Joint Inspection Unit demonstrates a more pronounced emphasis on the evaluation aspects of its work; and (d) programme managers increase their appreciation of the importance of self-evaluation and stronger expertise in conducting them.

Outputs

30.29 During the biennium 2004-2005, the following outputs will be delivered:

(a) Servicing of intergovernmental and expert bodies:

(i) General Assembly:

a. Substantive servicing of the Fifth Committee (11);

b. Parliamentary documentation: biennial report on strengthening the role of evaluation (1); reports on initial or follow-up inspection reviews of selected Secretariat departments and regional commissions (5); reports on management consulting services as required (2);

(ii) Committee for Programme and Coordination and other related intergovernmental and expert committees:

a. Substantive servicing of the Committee for Programme and Coordination (10); Substantive servicing of other intergovernmental and expert committees directly concerned with each programme evaluated (20);

b. Parliamentary documentation: in-depth evaluation report on human settlements (1); in-depth evaluation report on public administration, finance and development (1); report of the Secretary-General on the programme performance of the Organization for the biennium 2002-2003 (1); thematic evaluation reports on topics to be decided by the Committee for Programme and Coordination (2); triennial review of the in-depth evaluation of General Assembly and Economic and Social Council Affairs and Economic and Social Council support and coordination (1); triennial review of the in-depth evaluation of legal affairs (1); triennial review of the in-depth evaluation of population (1); triennial review of the in-depth evaluation of sustainable development (1);

(b) Internal oversight services (RB/XB):

(i) Monitoring: to enhance the effectiveness of the Integrated Monitoring and Documentation Information System as an internal monitoring tool and to support the further implementation of results-based budgeting; to monitor periodically programme implementation under all programme budget sections and provide feedback to programme managers; to provide programme managers with assistance in strengthening their monitoring and self-monitoring efforts to support implementation of results-based management;

(ii) Inspections: to carry out inspection reviews of a selected number of Secretariat departments and regional commissions; to monitor implementation of inspections recommendations and report to the Secretary-General on the status of implementation;

(iii) Evaluations: to assist departments and offices with their own evaluation activities by responding to their queries and provide them with training workshops, a manual and periodic bulletins; to assist in the impact evaluation of the activities of the Department of Public Information; to promote and support self-evaluation by departments and offices in order to support the implementation of results-based management by providing guidelines and training and by responding to specific queries; to review compliance by departments and offices with approved evaluation recommendations;

(iv) Management reviews: to provide management consulting services as requested.

Table 30.11 **Resource requirements**

Category	Resources (thousands of US dollars) 2002-2003	Resources (thousands of US dollars) 2004-2005 (before recosting)	Posts 2002-2003	Posts 2004-2005
Regular budget				
Post	4 679.4	4 216.4	20	18
Non-post	224.6	216.6	0	0
Total	**4 904.0**	**4 433.0**	**20**	**18**
Extrabudgetary	532.0	1 152.8	2	5

30.30 The amount of $4,433,000 will provide for the continuation of 18 posts and the corresponding non-post expenses. The 18 posts reflect redeployment of a P-4 post to the Office of the Under-Secretary General and one General Service (Other level) to the Internal Audit Division. In addition, a P-3 post will be redeployed to the Internal Audit Division in exchange for a P-2 post. There would be a slight reduction in non-post resources, which comprise general temporary assistance and overtime, services of consultants, travel of staff, contractual services, office supplies and materials, and office furniture and equipment.

Subprogramme 3
Investigations

Resource requirements (before recosting): $5,018,500

30.31 This subprogramme is under the responsibility of the Investigations Division.

30.32 Since the establishment of OIOS in 1994, the investigation caseload has been growing constantly. The distribution of the caseload for 2002 has been 25 per cent global Secretariat, 35 per cent non-Secretariat offices and 40 per cent peacekeeping missions. Since the number of cases investigated away from Headquarters has increased at a faster rate than at Headquarters, it is anticipated that the proportion of cases involving offices away from Headquarters will increase.

Table 30.12 **Objectives for the biennium, expected accomplishments, indicators of achievement and performance measures**

Objective: To ensure compliance with the regulations and rules of the United Nations and to minimize the occurrence of fraud, violations of the regulations and rules of the United Nations, mismanagement, misconduct, waste of resources and abuse of authority.

Expected accomplishments	*Indicators of achievement*
Better protection of the Organization's assets and resources and greater compliance with the regulations and rules of the Organization.	(i) The number of cases referred to the relevant authority; *Performance measures*: 2000-2001: 4 cases Estimate 2002-2003: 4 cases Target 2004-2005: 4 cases

(ii) The number of investigations recommendations implemented.

Performance measures:

2000-2001: 90 recommendations implemented

Estimate 2002-2003: 90 recommendations implemented

Target 2004-2005: 90 recommendations implemented

External factors

30.33 The subprogramme is expected to achieve its objectives and expected accomplishments on the assumption that external parties will cooperate in investigations.

Outputs

30.34 During the biennium 2004-2005, the following outputs will be delivered:

(a) Servicing of the General Assembly:

(i) Substantive servicing of the Fifth Committee (4);

(ii) Parliamentary documentation: investigation reports on the basis of investigations conducted (4);

(b) Internal oversight services (RB/XB): assessment of the potential within programme areas for fraud and other violations through the analysis of systems of control in high-risk operations as well as offices away from Headquarters; clearance of backlog cases for the period from 1998 to 2003; continuing improvements in the confidential reporting facility as instituted under administrative instruction ST/AI/397; management of a conservatively estimated 970 additional cases of theft, embezzlement, smuggling, bribery and other forms of misconduct as well as waste of resources, abuse of authority and mismanagement; provision of assistance and advice on prevention of fraud and other acts of misconduct as well as waste of resources, abuse of authority and mismanagement; provision of assistance and expertise for programme managers and for the separately administered funds and programmes and investigations units of other international agencies with their investigations needs; provision of investigative oversight services relating to functions performed by United Nations staff in connection with transitional authorities provided by the Security Council; review of compliance of departments/offices with investigation recommendations and provision of assistance;

Table 30.13 **Resource requirements**

	Resources (thousands of United States dollars)		*Posts*	
Category	*2002-2003*	*2004-2005 (before recosting)*	*2002-2003*	*2004-2005*
Regular budget				
Post	3 992.6	4 472.6	20	21
Non-post	511.5	545.9	0	0
Total	**4 504.1**	**5 018.5**	**20**	**21**
Extrabudgetary	1 567.8	4 204.6	3	15

30.35 The amount of $5,018,500 will provide for the addition of a new D-2 post for a Director of the Division and the continuation of 20 posts, general temporary assistance and overtime, the services of consultants, travel of staff, general operating expenses, office supplies, office furniture and equipment. The new D-2 post would strengthen the leadership of the Division in the areas of planning, policy-making and the design of new projects. It would bring full recognition to the importance of a subprogramme which has grown in importance as its capacity and competence has been enhanced over the last few bienniums.

C. Programme support

Resource requirements (before recosting): $1,486,200

30.36 Responsibility for providing backstopping support for the work of the internal oversight programme is vested in the Executive Office.

30.37 Since its establishment in 1994, OIOS has exercised operational independence as provided for in General Assembly resolutions 48/218 B of 29 July 1994 and 54/244 of 23 December 1999. In keeping with the operational independence of OIOS, as provided for under ST/SGB/273, the Secretary-General has delegated authority in financial and personnel matters to the Under-Secretary-General for Internal Oversight Services. With regard to the recruitment, placement and promotion of staff in OIOS, the former Appointment and Promotion Panel has been replaced by the OIOS Review Body upon the introduction of the new Galaxy staff selection system, which came into effect on 1 May 2002.

Outputs

30.38 During the biennium, the following outputs will be delivered:

Overall administration and management: administration of OIOS staff and financial resources located at Headquarters, Geneva, Nairobi and other duty stations under the delegation of authority granted by the Secretary-General (see ST/AI/401) and in accordance with the regulations and rules of the United Nations; provision of advice to OIOS senior managers on administrative, financial, personnel and budgetary matters; and servicing of the OIOS Review Board.

Table 30.14 **Resource requirements**

Category	Resources (thousands of United States dollars) 2002-2003	2004-2005 (before recosting)	Posts 2002-2003	2004-2005
Regular budget				
Post	1 049.3	1 192.2	6	6
Non-post	315.6	294.0	0	0
Total	**1 364.9**	**1 486.2**	**6**	**6**
Extrabudgetary	-	323.8	0	3

30.39 The requirements of $1,486,200 would provide for the continuation of six posts, which includes the inward redeployment of a P-5 post from the Office of the Under-Secretary-General and the outward redeployment of a General Service (Principal level) post to the Office of the Under-Secretary-General, and for non-post resources, the provisions for which would be slightly reduced.

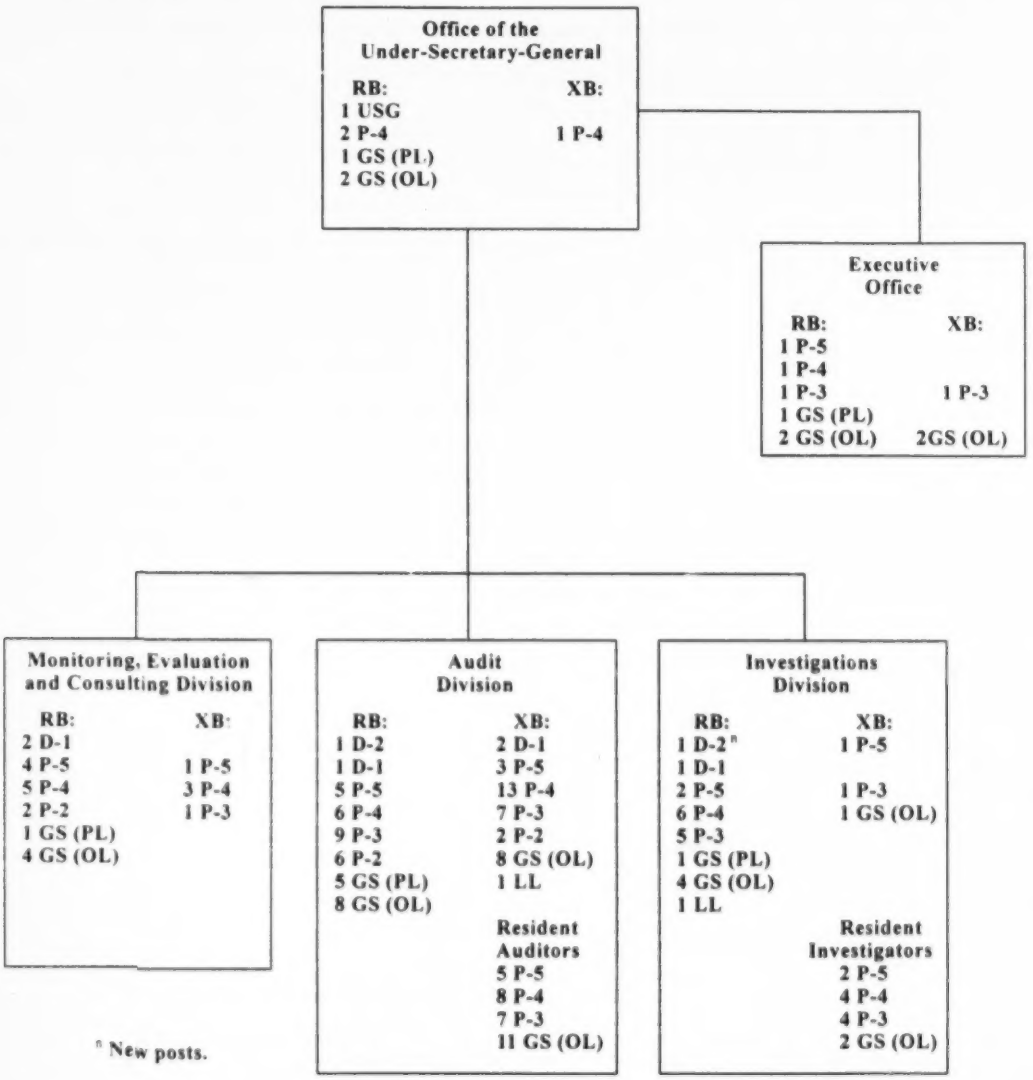
Table 30.15 **Summary of follow-up action taken to implement relevant recommendations of the internal and external oversight bodies and the Advisory Committee on Administrative and Budgetary Questions**

Brief description of the recommendation	Action taken to implement the recommendation
Advisory Committee on Administrative and Budgetary Questions (A/56/7, chap. II)	
The Committee requests that information be included in the proposed programme budget for 2004-2005 on how the new structures and programmatic realignment have performed (para. IX.14).	OIOS was restructured in August 2001 to ensure cohesion of the different functions it performs and the provision of more value-added services. The merger of four oversight functions in the newly established Monitoring, Evaluation and Consulting Division has energized cross-disciplinary teamwork in the areas of monitoring, inspection, evaluation and management consulting. Two reports submitted to the General Assembly on possible discrimination in the organization and the implementation of results-based budgeting, respectively, clearly demonstrate the synergies achieved (see A/57/451, paras. 144-146). In addition, the new structures and programmatic alignment have enabled OIOS divisions to undertake joint, cross-functional oversight assignments as part of a risk management framework, which has increased the effectiveness and efficiency of OIOS' annual work planning process.

Brief description of the recommendation	*Action taken to implement the recommendation*
Report of the Board of Auditors (A/57/5, vol. I, chap. II)	
Information technology and information systems audit function and capability	
The Board recommends that OIOS strengthen the information technology and information systems audit capability by further training financial and/or non-information technology/information systems auditors on general information technology audit competencies following the approach recommended by the International Organization of Supreme Audit Institutions, and consider including in its internal audit standards those that pertain to information technology and information system auditing (para. 183).	A project team under the tripartite meeting of oversight entities (Joint Inspection Unit, Board of Auditors and OIOS), has been established to look into strategies for improving information technology audit capacity in the Organization.
Documentation of work performance	
The Board recommended that OIOS ensure that the auditors (a) properly document the review of internal controls; (b) organize the working papers with appropriate references and cross-references; and (c) retain the working papers for reference and evaluation purposes. The Board also recommends that OIOS ensure that reviews by audit supervisors are indicated in the working paper files (para. 185).	The Internal Audit Division has provided training on working paper standards at all duty stations and has decentralized the retention of working papers to audit sections to improve control. The Division has also implemented a report clearance checksheet which, among other steps, requires auditors-in-charge and section chiefs to certify that working papers have been completed, indexed and cross-indexed, and that supervisory reviews of the working paper files have been performed. Compliance with the Board's recommendations will be further reinforced through additional training and the introduction of periodic peer reviews of working papers on selected assignments. Moreover, the Division is currently undertaking an electronic working paper pilot project which, when successfully implemented, will fully ensure that the Board's recommendations are complied with.
Reporting of potential financial savings	
The Board recommends that OIOS document the basis and manner of computation of savings (para. 189).	The Internal Audit Division is revising its audit manual to improve the quality of its audit reports, including the provision of an estimate of potential savings in the audit reports, whenever feasible. The basis and manner of computation of savings are, in all cases, documented in the working papers and reviewed by the responsible supervisors.

Brief description of the recommendation	*Action taken to implement the recommendation*
Investigation	
The Board therefore recommends that the Investigations Division define the criteria for when reports should be prepared in respect of closed cases. The OIOS informed the Board that investigators prepared a report for every open investigation at the time each case was closed. The OIOS will work on preparing guidelines for communicating reports to external parties (para. 192).	Recommendation has been implemented.

Office of Internal Oversight Services Organizational structure and post distribution for the biennium 2004-2005



[a] New posts.

Abbreviations: GS, General Service; PL, Principal level; OL, Other level

Annex

Recurrent outputs not to be carried out in the biennium 2004-2005 Internal oversight

A/56/6, *paragraph*	*Output*	*Quantity*	*Reason for discontinuation*
Para. 28.17 (b) (ii)	Semi-annual report released in June	2	The June semi-annual report will be rolled up into the annual report, as part of the aim to consolidate reports for efficiency gains.
Para. 28.22 (a) (ii) b.	In-depth evaluation reports on topics decided by the Committee	2	The Committee on Programme Coordination agreed that central evaluations should prepare one in-depth evaluation per year, down from two, to release existing capacity to focus on thematic evaluations on cross-cutting themes from among priority areas of work of the Organization (see A/57/16, para. 255).
	Total	**4**	